

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6683**

**BILL NUMBER:** SB 314

**NOTE PREPARED:** Dec 22, 2009

**BILL AMENDED:**

**SUBJECT:** Delinquent Child Support.

**FIRST AUTHOR:** Sen. Rogers

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** ☒ **GENERAL**  
**DEDICATED**  
☒ **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill changes the definition of "delinquent" to mean at least: (1) \$1,000; or (2) three months; past due on payment of court-ordered child support. (Under current law, "delinquent" means at least \$2,000 or three months past due on payment of court-ordered child support.)

This change in the definition of "delinquent" relates to the following: (1) The suspension or denial of driving privileges. (2) The suspension or denial of a professional or occupational license or placing an obligor on probationary status regarding the license, including licenses for racetrack personnel and racing participants. (3) The suspension or denial of a license involving riverboat gambling or placing an obligor on probationary status regarding the license. (4) The suspension or revocation of certain licenses issued by the Department of Natural Resources or placing an obligor on probationary status regarding the license. (5) The data match system operated with financial institutions.

**Effective Date:** July 1, 2010.

**Explanation of State Expenditures:** This bill will increase the workload of the Child Support Bureau, the Department of Insurance, Horse Racing Commission, Indiana Gaming Commission, Department of Natural Resources, Professional Licensing Board, Bureau of Motor Vehicles, and the Department of Education by increasing the number of individuals who would be considered "delinquent". Currently, if an individual owes either (1) at least \$2,000 of court-ordered child support or (2) is three months past due on payment, the Child Support Bureau (CSB) and the licensing divisions mentioned above work together to provide notice to delinquent individuals of their failure to pay child support. Failure to contact the CSB and pay the unpaid child support balance or develop a payment plan will ultimately result in the suspension of an individual's professional license (if applicable) or driver's license.

**Explanation of State Revenues:** This bill may increase child support collections in the state by increasing the number of individuals who pay child support in order to avoid having either their professional license or driver's license suspended. If child support collections increase, Indiana may become more competitive with other states for federal IV-D incentive funds.

**Background Information:** The federal IV-D program consists of a static amount of performance-based grants awarded to states (on a competitive basis) depending on performance regarding specified metrics. These metrics include: (1) paternity-establishment performance level, (2) support order enforcement performance level, (3) current payment performance level, (4) arrearage performance level, and (5) cost-effectiveness performance level.

Indiana's most recent performance rankings under the IV-D funding metrics for FFY 2008 are as follows: (1) 20<sup>th</sup> in Paternity Establishment, (2) 41<sup>st</sup> in Support Order Establishment, (3) 41<sup>st</sup> in Current Support Collections, (4) 25<sup>th</sup> in Cases Paying on Arrears, and (5) 14<sup>th</sup> in Cost Effectiveness. The first three metrics have more weight than the last two metrics when calculating the IV-D funding a state receives. In FFY 2007, Indiana received \$9,125,000 in IV-D funding, which was an increase from FFY 2006 (\$8,190,000).

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** CSB of the Department of Child Services, Department of Insurance, Horse Racing Commission, Indiana Gaming Commission, Department of Natural Resources, Professional Licensing Board, Bureau of Motor Vehicles, and Department of Education.

**Local Agencies Affected:**

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